



## FACT SHEET - MARCH 2021

# Annual Tax on Enveloped Dwellings Chargeable Period – 1 April 2021 to 31 March 2022

The Annual Tax on Enveloped Dwellings (ATED) return 30 day filing window for the year ahead opens on 1 April 2021. These annual returns – including Relief Declaration Returns - must be filed by 30 April 2021.

The annual ATED tax charge for the year ahead is also payable by 30 April 2021.

ATED is an annual tax on 'high value' UK residential property owned by both UK and foreign companies, partnerships (with a corporate member) and collective investment schemes.

A property is high value for ATED if it was valued at £500,000 or more either on 1 April 2017 or on the date of acquisition / completion if later. Properties are revalued for ATED every five years and the next revaluation date will be 1 April 2022.

High value UK residential property within ATED can include rental properties, valuable freehold interests and trading stock.

The annual tax currently payable depends on the value of the property on 1 April 2017 or on the date of acquisition if later.

Relief can be claimed from the annual tax charge (e.g. by property traders / developers, rental businesses) if certain conditions are met, but this claim must be made through the submission of an ATED Relief Declaration Return.

There are some exemptions from ATED for particular bodies (e.g. charitable companies, public / national bodies) if certain conditions are met. There are also some particular types of living accommodation that are specifically excluded from ATED (e.g. hotels, student accommodation).



There are deadlines for reporting certain changes in circumstances (e.g. acquisitions and / or disposals) after the ATED return for the year ahead is filed. The earliest of these deadlines is within 30 days of the change.

The Government has not put any specific measures in place, as a result of Covid, in relation to the ATED deadlines. Automatic penalties and interest charges will therefore arise on late filing and late payment.

BGM can help you identify whether an ATED return is required and also where a relief may be claimed by a company, partnership (with a corporate member) and collective investment scheme, which owns high value UK residential property.

**If you would like to discuss any ATED issues please contact your usual BGM advisor.**